

1        disrupt competitor's sales. By interfering with the ability of Maryland,  
2        customers to switch their local telephone service to competitors such as  
3        CloseCall, Verizon Maryland can maximize its profits by keeping its prices  
4        high and foregoing investment in new competitive telecommunications  
5        services.

6  
7    Q.    DO YOU AGREE WITH MR. TAYLOR THAT "A MULTITUDE OF VOICE  
8        MESSAGING SERVICES VIRTUALLY IDENTICAL TO THOSE  
9        OFFERED BY VERIZON ARE AVAILABLE TO MARYLAND  
10       CUSTOMERS?"

11   A.    No. This is a total overstatement and misrepresentation of the facts.

12  
13   Q.    DID YOU REVIEW MR. TAYLOR'S LIST OF CLEC AND NON-CLEC  
14        PROVIDERS OF VOICE MAIL SERVICES?

15   A.    Yes. CloseCall not only reviewed the list but also attempted to contact  
16        each of these companies.

17  
18   Q.    WHAT ARE YOUR FINDINGS IN REGARDS TO THE CLEC  
19        PROVIDERS?

20   A.    For the CLEC list that Mr. Taylor provided, most of the companies, in fact,  
21        have gone bankrupt or do not offer voice mail service to residential  
22        consumers and small businesses in Maryland. In addition, one company  
23        recently filed an antitrust lawsuit against Verizon. As explained below, no

1 listed provider is capable of providing a voice messaging service that is  
2 cost-effective and compatible with CloseCall or otherwise qualifies as a  
3 potential vendor of voice mail service to CloseCall's customers.

4  
5 Furthermore, of the twenty-five companies listed by Mr. Taylor, eight  
6 companies: Adelphia Business Solutions, Advanced telecom Group, Inc.,  
7 CTC Group, Xspedias Management Company (E.SPIRE), Winstar,  
8 WorldCom Inc., XO Communications and Global Crossing have recently  
9 gone bankrupt.

10  
11 In addition, of these eight companies, four companies: Xspedias  
12 Management Company, Global Crossing, Winstar and XO  
13 Communications, do not provide telecommunications services to  
14 residential consumer or small businesses.

15  
16 Of the remaining seventeen companies, fourteen (ATX  
17 Telecommunications, ARC Networks Info. Highway, NOS  
18 Communications, New Frontier Telecommunications, CloseCall America,  
19 Allegiance Telecom, AT&T Corp., Comcast Business, Focal  
20 Communications, Global NAPS, KMC Telecom Inc., PaeTec, Servisense,  
21 and Capsule Communications) do not offer voice mail service to  
22 residential consumers or small businesses in Maryland.

1 In addition, ATX Telecommunications has filed an antitrust suit against  
2 Verizon. In its complaint, ATX charges Verizon with intentional anti-  
3 competitive behavior for the purpose of maintaining its monopoly over  
4 telecommunications service throughout its service territory. According to  
5 ATX, "[r]ather than respond to the increased competition with improved  
6 services and rates in order to retain customers, Verizon instead worked to  
7 make it difficult and expensive for it's new competitors to do business." In  
8 addition, NOS Communications has had numerous complaints and fines  
9 levied against them in various regulatory jurisdictions for poor consumer  
10 business practices.

11  
12 Of the remaining three companies, Stickdog Telecom Inc. only offers voice  
13 messaging service to selected areas in Maryland, outside of CloseCall's  
14 target markets. In addition, Stickdog does not offer "stutter" dial tone,  
15 which is very important to CloseCall's customers; Z-Tel is seeking new  
16 financing and also does not offer "stutter" dial tone; and Cavalier only  
17 offers voice mail service to selected areas in Maryland, all of which are  
18 outside of CloseCall's target markets.

19  
20 Q. WHAT ARE YOUR FINDINGS IN REGARDS TO THE NON-CLEC  
21 PROVIDERS?

22 A. For the non-CLEC list that Mr. Taylor provided, none of the companies we  
23 were able to reach (ten out of eleven) offer voice mail service to residential

1 consumer and small businesses. In addition, one company, TeleSonic,  
2 provides only equipment for the deaf and does not offer voice mail service  
3 at all. As in the CLEC list provided by Mr. Taylor and as explained below,  
4 none of the providers listed is compatible with CloseCall or would be  
5 considered a potential provider of voice mail service to CloseCall  
6 customers.

7  
8 Of the remaining ten companies, nine companies: Telecommunication  
9 Concepts, All System Enterprise, Inc., Brainstem Inc., Service Excellence,  
10 Inc., Apollo Communications, Inc., Computer Integrated Phone,  
11 Commercial Telephone Data, Compu-Phone, Inc., and Delmarva  
12 Telephus Inc. provide only voice mail equipment to medium and large  
13 businesses. In addition, Delmarva Telephus Inc. only offers its equipment  
14 for medium and large businesses on the Eastern Shore of Maryland. The  
15 tenth company, Interactive Communications, after more than 10 attempts,  
16 never responded calls and does not have a website.

17  
18 Q. WHAT CAN THE COMMISSION DETERMINE FROM YOUR REVIEW?

19 A. The Commission should recognize that Verizon is the only company  
20 offering voice mail service in the Maryland residential consumer and small  
21 business markets in which CloseCall operates and that meets the  
22 requirement of seamless and uninterrupted service when a residential  
23 consumer or small business is switching their local telephone service from

1 Verizon to CloseCall and is already subscribing to Verizon voice  
2 messaging service.

3

4 Q. WHY CAN'T CLOSECALL BUILD A VOICE MAIL SYSTEM TO  
5 COMPETE HEAD-TO-HEAD WITH VERIZON?

6 A. As explained in my direct testimony, CloseCall entered the local telephone  
7 market in Maryland using a resale market-entry strategy. This strategy  
8 does not require CloseCall to construct or build facilities in order to  
9 compete directly with Verizon for local telephone customers. Requiring  
10 CloseCall to invest in a voice mail system technology that competes  
11 directly with Verizon would undermine this market-entry strategy. For  
12 example, in response to one of our interrogatories, Verizon reported that it  
13 spent, from the period 1996 through the present, **BEGIN PROPRIETARY**  
14 **[ ] END PROPRIETARY** in new capital expenditures to maintain its  
15 voice mail system in Maryland alone. This is over 50 times the original  
16 capitalization of our company. Requiring CloseCall, or any small  
17 competitive carrier, to build expensive and redundant facilities is overly  
18 burdensome, unreasonable, and is not necessary for a resale carrier to  
19 compete for local telephone service.

20

21 Q. DO YOU AGREE WITH MR. TAYLOR THAT "INTERMODAL"  
22 COMPETITION IS AN IMPORTANT SOURCE OF COMPETITION THAT

1           SHOULD BE LOOKED AT IN RELATION TO VERIZON'S VOICE MAIL  
2           SERVICE?

3    A.    No. Mr. Taylor once again overstates his data by stating that, "a multitude  
4           of voice messaging services virtually identical to those offered by Verizon-  
5           MD are available to Maryland customers." Mr. Taylor fails to account for  
6           the fact that CloseCall's complaint has to do with residential consumers  
7           and small businesses that have already chosen Verizon's voice mail  
8           service and are simply looking to switch their local telephone service  
9           without any service disruption. CloseCall's complaint does not focus on  
10          the residential consumers and small businesses that are trying to decide  
11          which voice mail service they will choose.

12

13   Q.    ARE THE EXAMPLES OF INTERMODAL COMPETITION THAT MR.  
14           TAYLOR PUTS FORTH "VIRTUALLY IDENTICAL" TO VERIZON'S  
15           VOICE MAIL SERVICE AS IT RELATES TO SWITCHING THEIR LOCAL  
16           TELEPHONE SERVICE TO CLOSECALL?

17   A.    No. The features that are most important to existing Verizon voice mail  
18           customers are not provided. These include stutter dial tone, the ability for  
19           a caller to leave a message while using the telephone line, the ability to  
20           store saved messages, and the ability to switch their local telephone  
21           service to CloseCall without uninterrupted and in a seamless manner.

22

1 Q. DID YOU REVIEW MR. TAYLOR'S EXAMPLES OF INTERMODAL  
2 COMPETITION?

3 A. Yes.  
4

5 Q. DO ANSWERING MACHINES, INTERNET-BASED VOICE MESSAGING,  
6 WIRELESS PHONES OR UNIFIED MESSAGING PLATFORMS OFFER  
7 EXISTING VERIZON VOICE MAIL CUSTOMERS THE SAME  
8 FEATURES THEY GET TODAY AND OFFER THEM THE ABILITY TO  
9 SWITCH THEIR LOCAL TELEPHONE SERVICE ON A SEAMLESS AND  
10 UNINTERRUPTED BASIS?

11 A. No. Although these voice mail services offer competition to Verizon's  
12 voice mail, they serve no useful purpose for existing Verizon customers  
13 that have already selected Verizon's voice mail service, but want to switch  
14 their local telephone service to CloseCall. These alternatives are really  
15 alternatives for consumers that have decided not to subscribe to Verizon's  
16 voice mail service or that are looking for other providers. In addition, voice  
17 mail services offered on wireless phones have nothing to do with a  
18 consumer's home phone and are not transferable.  
19

20 Q. DO ANSWERING MACHINES, INTERNET-BASED VOICE MESSAGING,  
21 WIRELESS TELEPHONES OR UNIFIED MESSAGING PLATFORMS  
22 GET SHUT-OFF JUST BECAUSE A RESIDENTIAL CONSUMER  
23 AND/OR BUSINESS SWITCHES JUST BECAUSE THEY SWITCH

1           THEIR LOCAL TELEPHONE SERVICE FROM VERIZON TO  
2           CLOSECALL?

3    A.    No. Verizon is the only carrier in Maryland with the market power to shut-  
4           off a customer's voice mail service in response to that customer's decision  
5           to switch to their local telephone service to CloseCall.

6  
7    Q.    DO YOU AGREE WITH MR. TAYLOR THAT, "11 HOUSEHOLDS OUT  
8           OF EVERY 100 APPROACHED BY CLOSECALL IN MARYLAND WILL  
9           ALREADY HAVE SOME FORM OF BROADBAND INTERNET ACCESS?"

10   A.    No. This is definitely not the case for CloseCall, since we operate in the  
11          less populated markets in Maryland.

12  
13   Q.    DO YOU AGREE WITH MR. TAYLOR THAT "IN MARYLAND,  
14          BROADBAND ACCESS IS MORE THAN TWICE AS LIKELY TO BE  
15          SUPPLIED BY A CABLE OR SATELLITE COMPANY THAN BY  
16          VERIZON-MD's ADSL SERVICE?"

17   A.    Mr. Taylor misses the point, since even if this were true, a cable company  
18          or satellite company does not have the market power to block CloseCall's  
19          orders to switch a customers local telephone service nor trap customers  
20          into current service offerings. Only Verizon has such capabilities and  
21          market power over CloseCall.

22



1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY OF MR.  
2 WILLIAM E. TAYLOR?

3 A. Yes.  
4

5 **V. Ms. Sherry Lichtenberg**  
6

7 Q. DID YOU REVIEW THE TESTIMONY OF MS. SHERRY LICHTENBERG  
8 ON BEHALF OF WORLDCOM?

9 A. Yes.  
10

11 Q. DO YOU AGREE WITH MS. LICHTENBERG THAT, THEORETICALLY,  
12 WORLDCOM COULD BECOME A RESELLER (SIMILAR TO  
13 CLOSECALL) IN ORDER FOR A CUSTOMER TO KEEP HIS/HER DSL  
14 SERVICE?

15 A. No. As I have explained in great detail, if WorldCom becomes a reseller,  
16 like CloseCall, Verizon will also block any orders to switch a customers  
17 local telephone service just because that customer is also purchasing high  
18 speed Internet (Line Sharing DSL) service from Verizon. Therefore,  
19 contrary to Verizon's claims and Ms. Lichtenberg's beliefs, Verizon will  
20 not let a reseller switch a customer's local telephone service on lines that  
21 also have Verizon high speed internet service.  
22

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A. Yes.

Case No. 8927

ATTACHMENT A

Case No. 8927

ATTACHMENT B

Case No. 8927

ATTACHMENT C